

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Request for submission of proposal for provision of relay service, beginning in June 1997, for the hearing and speech impaired, and other implementation matters in compliance with the Florida Telecommunications Access System Act of 1991.

DOCKET NO. 960598-TP
ORDER NO. PSC-98-0757-FOF-TP
ISSUED: June 1, 1998

The following Commissioners participated in the disposition of this matter:

JULIA L. JOHNSON, Chairman
J. TERRY DEASON
SUSAN F. CLARK
JOE GARCIA
E. LEON JACOBS, JR.

NOTICE OF PROPOSED AGENCY ACTION

ORDER APPROVING PROPOSED BUDGET FOR FISCAL YEAR 1998-99

BY THE COMMISSION:

NOTICE is hereby given by the Florida Public Service Commission that the action discussed herein is preliminary in nature and will become final unless a person whose interests are substantially affected files a petition for a formal proceeding, pursuant to Rule 25-22.029, Florida Administrative Code.

The Telecommunications Access System Act of 1991 (TASA) became effective May 24, 1991, and is found in Chapter 427, Part II of the Florida Statutes. TASA provides funding for the distribution of specialized telecommunications devices and provision of intrastate relay service through the imposition of a surcharge of up to \$.25 per access line per month. Accounts with over 25 lines are billed for only 25 lines.

Florida Telecommunications Relay, Inc. (FTRI), a non-profit corporation formed by the local exchange telephone companies, was

DOCUMENT NUMBER-DATE

05873 JUN-1 98

FPSO-RECORDS/REPORTING

ORDER NO. PSC-98-0757-FOF-TP
DOCKET NO. 960598-TP
PAGE 2

named by the Commission to serve as the TASA administrator. Currently, FTRI has over 145,000 Floridians in its client data base.

Beginning July 1, 1991, the LECs began collecting the initial \$.05 per access line surcharge pursuant to Order No. 24581; the surcharge was increased to \$.10 per access line on July 1, 1992. The surcharge remained at \$.10 per access line through November 30, 1994. Effective December 1, 1994, the surcharge was increased to \$.12 per access line. Due to expense reductions proposed by FTRI and a cash balance in its surplus fund account, the surcharge was reduced from \$.12 to \$.10 for the fiscal year 1995-1996. The surcharge was increased back to \$.12 July 1, 1996 and remained at \$.12 for the 1997-98 fiscal year.

We concluded at the May 19, 1998, agenda that the proposed \$.11 surcharge is sufficient to fund FTRI's planned programs for the upcoming fiscal year. The budget (Attachment A) projects total revenues at an \$.11 surcharge to be \$13,514,900 and total expenses to be \$14,328,239. The shortfall will be handled through a transfer from the surplus account which is expected to be approximately \$4,400,000 at the end of the current (1997-98) fiscal year. While FTRI and staff attempted to reduce the surplus account, the final results will show an increase primarily due to a variance in the expenses for relay service (from \$.745 per minute to \$.60 per minute beginning June 1, 1997) and unexpected refunds attributed to reimbursement for historical interstate toll-free (800/888) relay usage. As of March 1, 1998, interstate toll-free service reimbursements totaled approximately \$900,000.

FTRI believes that reducing the surcharge to \$.11 will enable it to maintain its current level of service while reducing the surplus account. Staff has reviewed FTRI's proposed budget and believes reducing the surcharge to \$.11 is appropriate. At the last Advisory Committee Meeting (May 5, 1998), the Committee members in attendance reviewed FTRI's 1998/1999 budget proposal and made no suggestions for change. We thus conclude that it is sufficient.

ORDER NO. PSC-98-0757-FOF-TP
DOCKET NO. 960598-TP
PAGE 3

Based on the foregoing, it is

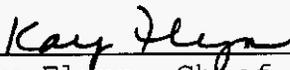
ORDERED by the Florida Public Service Commission that Florida Telecommunications Relay, Inc.'s proposed budget for fiscal year 1998-99 be approved effective July 1, 1998. It is further

ORDERED that local exchange companies assess an \$.11 surcharge beginning July 1, 1998. It is further

ORDERED that Docket No. 960598-TP shall remain open for the duration of the current contract with MCI.

By ORDER of the Florida Public Service Commission, this 1st day of June, 1998.

BLANCA S. BAYÓ, Director
Division of Records and Reporting



Kay Flynn, Chief
Bureau of Records

(S E A L)

CBM

NOTICE OF FURTHER PROCEEDINGS OR JUDICIAL REVIEW

The Florida Public Service Commission is required by Section 120.569(1), Florida Statutes, to notify parties of any administrative hearing or judicial review of Commission orders that is available under Sections 120.57 or 120.68, Florida Statutes, as well as the procedures and time limits that apply. This notice should not be construed to mean all requests for an

ORDER NO. PSC-98-0757-FOF-TP
DOCKET NO. 960598-TP
PAGE 4

administrative hearing or judicial review will be granted or result in the relief sought.

Mediation may be available on a case-by-case basis. If mediation is conducted, it does not affect a substantially interested person's right to a hearing.

The action proposed herein is preliminary in nature and will not become effective or final, except as provided by Rule 25-22.029, Florida Administrative Code. Any person whose substantial interests are affected by the action proposed by this order may file a petition for a formal proceeding, as provided by Rule 25-22.029(4), Florida Administrative Code, in the form provided by Rule 25-22.036(7)(a) and (f), Florida Administrative Code. This petition must be received by the Director, Division of Records and Reporting, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850, by the close of business on June 22, 1998.

In the absence of such a petition, this order shall become effective on the day subsequent to the above date as provided by Rule 25-22.029(6), Florida Administrative Code.

Any objection or protest filed in this docket before the issuance date of this order is considered abandoned unless it satisfies the foregoing conditions and is renewed within the specified protest period.

If this order becomes final and effective on the date described above, any party substantially affected may request judicial review by the Florida Supreme Court in the case of an electric, gas or telephone utility or by the First District Court of Appeal in the case of a water or wastewater utility by filing a notice of appeal with the Director, Division of Records and Reporting and filing a copy of the notice of appeal and the filing fee with the appropriate court. This filing must be completed within thirty (30) days of the effective date of this order, pursuant to Rule 9.110, Florida Rules of Appellate Procedure. The notice of appeal must be in the form specified in Rule 9.900(a), Florida Rules of Appellate Procedure.

	COMMISSION APPROVED BUDGET 1997-1998	FYR1 BEST VIEW ACTUAL 1997 - 1998 (AS OF FEBRUARY 1998)	FYR2 PROPOSED BUDGET 1998 - 1998
OPERATING REVENUE			
(1) SURCHARGES	\$13,668,341	\$13,888,094	\$13,313,218
(2) INTEREST INCOME	\$71,658	\$148,445	\$201,684
(3) SERVICE/OTHER	\$0.00	\$0.00	\$0.00
TOTAL OPERATING REVENUE	\$13,739,999	\$14,036,539	\$13,514,902
OPERATING EXPENSES			
CATEGORY I - RELAY SERVICES			
(5) DPR PROVIDER	\$8,882,120	\$8,633,248	\$9,307,840
SUBTOTAL-CATEGORY I	\$8,882,120	\$8,633,248	\$9,307,840
CATEGORY II - EQUIPMENT & REPAIRS			
(6) TDD EQ	\$390,000	\$425,200	\$425,200
(7) LARGE PRINT TDD'S	\$5,010	\$5,010	\$5,010
(8) VCO/HCO-TDD	\$295,860	\$135,088	\$267,900
(9) VCO-TELEPHONE	\$134,000	\$80,400	\$134,000
(10) DUAL SENSORY EQ	\$0.00	\$935	\$18,875
(11) VCP HEARING IMP	\$1,838,180	\$1,610,233	\$1,762,680
(12) VCP SPEECH IMP	\$16,590	\$7,488	\$18,456
(13) IN-LINE AMPLIFIER	\$13,200	\$15,870	\$23,806
(14) ARS SIGNALING EQ	\$371,070	\$379,475	\$387,575
(15) VRS SIGNALING EQ	\$90,345	\$35,883	\$38,070
(16) TRS SIGNALING EQ	\$960	\$1,080	\$1,080
(17) TELECOMM EQ REPAIR	\$290,000	\$130,524	\$140,614
SUBTOTAL-CATEGORY II	\$3,434,285	\$3,627,184	\$3,281,064
CATEGORY III - EQUIPMENT DISTRIBUTION AND TRAINING			
(18) FRGHT/TELECOMM EQ	\$23,688	\$20,831	\$28,177
(19) REGIONAL DIST CTRS	\$710,124	\$667,530	\$779,498
(20) WORKSHOP EXPENSE	\$18,148	\$18,148	\$18,148
(21) TRAINING EXPENSE	\$39,112	\$72,444	\$78,068
SUBTOTAL-CATEGORY III	\$791,068	\$778,981	\$895,883
CATEGORY IV - OUTREACH			
(22) OUTREACH EXPENSE	\$153,000	\$40,920	\$167,020
SUBTOTAL-CATEGORY IV	\$153,000	\$40,920	\$167,020
CATEGORY V - GENERAL & ADMINISTRATION			
(23) ADVERTISING	\$800	\$200	\$400
(24) ACCOUNTING/AUDITING	\$11,525	\$10,775	\$11,275
(25) LEGAL	\$42,000	\$41,328	\$41,400
(26) CONSULTATION	\$25,000	\$6,368	\$25,000
(27) AUTO LEASE EXPENSE	\$4,800	\$4,800	\$4,800
(28) BANK CHARGES	\$0.00	\$0.00	\$0.00
(29) DUES/SUBSCRIPTIONS	\$1,000	\$860	\$1,100
(30) OFFICE FURNITURE PURCHASE	\$1,000	\$882	\$1,500
(30A) LESS CAPITALIZED POR	\$0.00	\$0.00	\$0.00
(31) OFFICE EQUIPMENT PURCHASE	\$23,500	\$2,908	\$28,500
(31A) LESS CAPITALIZED POR	\$0.00	\$0.00	\$0.00
(32) DEPRECIATION	\$0.00	\$0.00	\$0.00
(33) OFFICE EQUIPMENT LEASE	\$3,882	\$3,192	\$3,492
(34) INSURANCE-HEALTH/LIFE/DISABILITY	\$62,208	\$59,208	\$78,378
(35) INSURANCE-OTHER	\$3,250	\$2,503	\$3,021
(36) OFFICE EXPENSE	\$7,008	\$4,368	\$4,568
(37) POSTAGE	\$15,024	\$15,748	\$18,532
(38) PRINTING	\$35,308	\$21,108	\$23,210
(39) RENT	\$47,688	\$49,510	\$58,627
(40) RETIREMENT	\$27,073	\$22,351	\$32,278
(41) EMPLOYEE COMPENSATION	\$234,782	\$202,857	\$280,844
(42) EMPORARY EMPLOYMENT	\$2,400	\$5,444	\$2,400
(43) TAXES-PAYROLL	\$18,328	\$17,674	\$21,852
(44) TAXES-UNEMP COMP	\$2,622	\$3,229	\$3,450
(45) TAXES-LICENSES	\$75	\$62	\$85
(46) TELEPHONE	\$24,000	\$28,754	\$28,092
(47) TRAVEL AND BUS EXPENSE	\$14,980	\$13,320	\$17,750
(48) EQUIPMENT MAINTENANCE	\$5,000	\$1,877	\$5,000
(49) EMPLOYEE TRNG/DVLP	\$4,000	\$1,500	\$1,800
(50) MEETING-EXPENSE	\$3,900	\$3,984	\$6,430
(51) MISCELLANEOUS EXP.	\$500	\$0.00	\$250
SUBTOTAL-CATEGORY V	\$821,842	\$522,916	\$700,336
TOTAL EXPENSES	\$13,982,418	\$10,803,109	\$14,328,238
REVENUE LESS EXPENSES	(\$24,419)	\$3,233,430	(\$813,336)